

October 25, 2011; (D) First Solar, Inc.'s Application (partially redacted) filed with the NSOE on October 19, 2011; (E) Energy Related Tax Incentive Fiscal Note as required by NRS 701A.375-1(a) by the Budget Division of the State of Nevada Department of Administration, received on February 6, 2012; (F) Fiscal Impact Renewable Energy Partial Abatement of Sales/Use Taxes as required by NRS 701A.375-1(b) by the State of Nevada Department of Taxation, received on February 9, 2012; (G) Fiscal Impact Renewable Energy Partial Abatement of Property Tax as required by NRS 701A.375-1(b) by the Nevada Department of Taxation, received on February 21, 2012; (H) Letter from the NSOE Director regarding Service Company and Operational Employees at Copper Mountain Solar II, LLC, dated February 23, 2012; (I) Waivers re timing of notice to participate from Clark County Treasurer, Assessor and Board of County Commissioners and Boulder City, City Manager; (J) Prefiled Testimony of Terry Palmer on behalf of Copper Mountain Solar II, LLC; (K) Prefiled testimony of Darin Green on behalf of First Solar, Inc. At the hearing, all of the subparts of Exhibit 1 were admitted into evidence. In addition, the oral testimony of Mr. Palmer on behalf of Copper Mountain Solar 2, LLC and Mr. Green on behalf of First Solar, Inc. was heard. Based upon the testimony of the witnesses and the evidence presented, the Director finds the following to be the facts in this matter.

2. Copper Mountain is a subsidiary of Sempra Energy Company. Copper Mountain is a Delaware limited liability company with a current Certificate of Registration of Foreign Limited Liability Company from the Nevada Secretary of State.

3. Copper Mountain submitted its Pre-application in this matter on January 4, 2011, and filed an amended Pre-application on September 27, 2011.

4. On October 25, 2011, Copper Mountain submitted its Application seeking partial abatement of sales and use taxes for the construction and operation of a facility for the generation of solar renewable energy and a facility for the transmission of electricity produced from

renewable energy (“Facility”) that would be located on approximately 1,130 acres of land in Boulder City, Clark County, Nevada (Application Filing Number (AFN) 11-1026SPV). The Application described a solar photovoltaic electric generating facility that would generate 155 AC Nameplate megawatts (MW) that would be sold to PG&E for a period of 25 years pursuant to a power purchase agreement. The application also described a transmission tie line that would run approximately 2.3 miles from the Facility to the Merchant Switchyard, and the transmission tie line would run across land owned by the City of Boulder City.

5. Testimony from Messrs. Palmer and Green supported that Copper Mountain was properly licensed and qualified to do business in Nevada; that Copper Mountain had obtained all required state and local licenses and permits and intended to maintain all of the required licenses and permits for the Facility; that Copper Mountain had all necessary approvals for the Facility; that the Facility would have an AC nameplate rating of 155 MW and was anticipated to produce 150 MW net; that Copper Mountain had entered into a 25-year power purchase agreement with PG&E; that the Facility was anticipated to be at least partially operational sometime during the fourth quarter of 2012; that the total capital investment of the Facility will be approximately \$481,102,000.00 and the capital investment of the Facility in Nevada will be between approximately \$96,220,400.00 and \$120,275,500.00; that the Facility would create four full-time operational jobs which would pay an average of approximately \$33.00 per hour; and that the Facility would create approximately 132 full-time construction jobs over the course of construction which would pay an average hourly wage of \$30.07 per hour.

6. The Director took notice that the statewide average hourly rate as determined by the Department of Employment, Training, and Rehabilitation (hereinafter “DETR”) for fiscal year 2011 was \$19.83. Thus 110% of the wage for fiscal year 2011 was \$21.81, and 150% of the wage for fiscal year 2011 was \$29.75.

7. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the sales and uses taxes related to the Facility:

Total Amount Abated (Year 1)	\$21,145,194.76
Total Amount Abated (Year 2)	\$1102.37
Total Amount Abated (Years 3)	\$1134.76
TOTAL AMOUNT ABATED	\$21,147,431.89

Total Amount Abated by Local Government (Year 1)	\$13,456,033.03
Total Amount Abated by Local Government (Year 2)	\$697.83
Total Amount Abated by Local Government (Year 3)	\$722.12
TOTAL AMOUNT ABATED BY LOCAL GOVERNMENT	\$13,457,452.98
TOTAL LOCAL SCHOOL SUPPORT TAX GAIN	\$9,996,947.30

8. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the property taxes related to the Facility:

Total Property Taxes Due Before Abatement	\$88,050,016.00
Total Property Taxes Abated Over Abatement Period	\$48,427,509.00
Total Taxes to Local Government Over Abatement Period	\$21,792,379.00
Total Taxes to Renewable Energy Fund Over Abatement Period	\$17,830,128.00
Total Taxes to Local Government and Renewable Energy Fund Over Abatement Period	\$39,622,507.00

9. The Fiscal Note produced by the Budget Division shows that the State General Fund will be impacted for a total of approximately \$7,689,980 abated over the period of the abatement (2012 through 2015).

10. Synthesizing the figures in evidence in this matter, the total estimated benefit pursuant to NRS 701A.365(1)(f) to the state and local governments in Nevada is \$155,649,587.42 and the total estimated amount of property taxes and sales and use taxes abated

in this matter is \$69,574,940.89. Thus, the benefits to the state and local governments in Nevada exceed the total amount of abated taxes. The estimated benefits and amounts abated over the applicable periods of abatement are calculated as follows:

Financial Benefits

Capital Investment in Nevada	\$96,220,400.00
Total School Support Tax Over Abatement Period	\$9,996,947.30
Total Property Taxes to Local Government and Renewable Energy Fund Over Abatement Period	\$39,622,507.00
Construction Payroll in Nevada	\$4,318,533.12
Operational Payroll in Nevada:	\$5,491,200.00
TOTAL BENEFITS OVER ABATEMENT PERIODS	\$155,649,587.42

Amounts Abated

Total Sales and Use Taxes Abated (3 Years)	\$21,147,431.89
Total Property Taxes Abated (20 Years)	\$48,427,509.00
TOTAL TAXES ABATED	\$69,574,940.89

11. That all of the evidence discussed in the preceding paragraphs was supported by the substantial, reliable, and probative evidence taken from the record as a whole produced at the hearing of this matter.

CONCLUSIONS OF LAW

1. The Director has the jurisdiction and authority to adjudicate this matter because the Application is within the scope of NRS 701A.300 through 701A.390 and the Director is required by law to hold the hearing in this matter pursuant to NRS 701A.360(5).

2. The substantial, reliable, and probative evidence in the record of this matter shows that Copper Mountain’s Application for the construction and operation of the Facility satisfies the following statutory requisites:

(a) NRS 701A.320(1)(a) – The primary source of energy to operate the Facility will be the Facility itself, thus meeting the statutory standard.

(b) NRS 701A.320(1)(b) – The Facility will generate 155 MW AC Nameplate, thus exceeding the statutory standard.

(c) NRS 701A.320(2) – The Facility is not located on residential property, thus meeting the statutory standard.

(d) NRS 701A.360(2) – The Facility is not owned, operated, leased, or controlled by a government agency, thus meeting the statutory standard.

(e) NRS 701A.365(1)(a)(1) – The Facility is anticipated to be operational for at least 25 years, thus exceeding the statutory standard.

(f) NRS 701A.365(1)(b) – The Facility has all the necessary state and local permits and licenses to operate, thus meeting the statutory standard.

(g) NRS 701A.365(1)(c) - No funding for the Facility is or will be provided by any governmental entity in this State for the acquisition, design or construction of the Facility or for the acquisition of any land therefore, except any private activity bonds as defined in 26 U.S.C. §141, thus meeting the statutory standard.

(h) NRS 701A.365(1)(e)(1) – The construction of the Facility will employ at least 185 full-time employees during the second quarter of construction. Copper Mountain anticipates that at least 40% of those employees will be Nevada residents, thus exceeding the statutory standard.

(i) NRS 701A.365(1)(e)(2) – The capital investment in Nevada for the Facility is estimated to be at least \$96,220,400.00, thus exceeding the statutory standard.

(j) NRS 701A.365(1)(e)(3) – The average hourly wage paid to the operational employees of the Facility will be approximately \$33.00, which is more than 110% of the average hourly wage set by DETR of \$21.81, thus exceeding the statutory standard.

(k) NRS 701A.365(1)(e)(4) – The average hourly wage paid to the construction employees on the Facility will be approximately \$30.07, which is more than 150% of the average hourly wage set by DETR of \$29.75, thus exceeding the statutory standard.

(l) NRS 701A.365(1)(e)(4)(I) and (II) – The health insurance provided to the construction employees on the Facility was represented to allow for the coverage of the dependents of the employees and will meet or exceed the standards established by the Director, thus meeting the statutory standard.

(m) NRS 701A.365(1)(f) – The benefits that will result to this State from the employment by the Facility of the residents of this State and from capital investments by the Facility in this State exceeds the loss of tax revenue that will result from the abatement, thus meeting the statutory standard.

(n) NRS 701A.370(1)(a)(3) – The abatement granted by this Order will not apply during any period in which the Facility is receiving another abatement or exemption from property taxes imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722, thus meeting the statutory standard.


(o) NRS 701A.370(1)(b)(1)(III) – The abatement granted by this Order will not apply during any period in which the Facility is receiving another abatement or exemption from local sales and use taxes, thus meeting the requirement of the statute.

ORDER

Based upon the foregoing, the Director orders that COPPER MOUNTAIN SOLAR 2, LLC'S Application Filing No. 11-1026SPV related to the construction and operation of the Facility is hereby **GRANTED**. Copper Mountain and the Director may execute an Abatement Agreement as soon as practicable that will satisfy the requisites of NRS 701A.300 through NRS

701A.390. Copper Mountain's sales and use tax abatement will terminate three years from the effective date of the Abatement Agreement. Copper Mountain's property tax abatement will terminate 20 years from the effective date of the Abatement Agreement.

SIGNED this 5 day of March, 2012.



STACEY CROWLEY

Director

Nevada Office of Energy